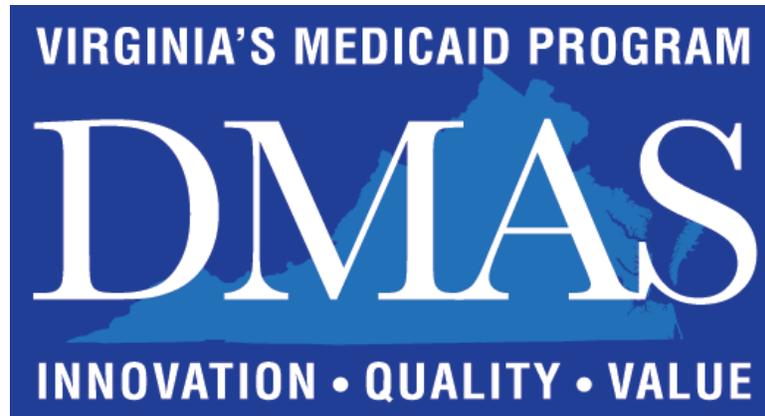


Monthly MCO Compliance Report

Medallion 4.0 October 2019 Deliverables



Health Care Services Division

January 10, 2020

Monthly MCO Compliance Report

Medallion 4.0 October 2019 Deliverables

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Compliance Points Overview

| MCO | Prior Month Point Balance | Point(s) Incurred for Current Month* | Point(s) Expiring from October 2018 | Final Point Balance* | Area of Violation: Finding or Concern |
|----------------------|---------------------------|--------------------------------------|-------------------------------------|----------------------|---|
| <u>Aetna</u> | 7.0 | 0.0 | 0.0 | 7.0 | CONCERNS Data Errors |
| <u>Anthem</u> | 5.0 | 0.0 | 0.0 | 5.0 | CONCERNS Appeals Issue Data Error |
| <u>Magellan</u> | 7.0 | 1.0 | 0.0 | 8.0 | FINDINGS EI Claims Issue CONCERNS Appeals Issue Data Errors Claims Payment |
| <u>Optima Health</u> | 14.0** | 0.0 | 0.0 | 14.0** | CONCERNS Data Error Claims Payment |
| <u>United</u> | 6.0 | 0.0 | 1.0*** | 5.0 | CONCERNS Appeals Issue Data Error |
| <u>VA Premier</u> | 11.0 | 3.0 | 0.0 | 14.0 | FINDINGS Data Errors EI Claim Issue CONCERNS Data Errors Appeals Issues |

**All listed point infractions are pending until the expiration of the 15 day comment period.*

***Optima has one compliance point in suspended status pending a review of CES # 2311.*

****As discussed below, one point was deducted from United's total due to high performance, per Section 10.1.C.c of the Medallion 4.0 contract.*

Notes:

-**Findings**- Area(s) of violation; point(s) issued.

-**Concerns**- Area(s) of concern that could lead to potential findings; **no** points issued.

-**Expired Points**- Compliance points expire 365 days after issuance. Thus, all points issued in October 2018 (Issue date: 11/15/18) expire on 11/15/19 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on December 5, 2019 to review deliverables measuring performance for October 2019 as well as other reported program issues. The CRC consists of five managers and supervisors from the Health Care Services division who vote on what, if any, compliance enforcement actions to take in response to identified issues of potential non-compliance.

The CRC voted to issue compliance points to managed care organizations (MCOs) for data errors in reporting deliverables and untimely payment of early intervention (EI) claims. In addition, two MCOs reported adjudicating claims more than one calendar year after they were received in violation of the Code of Federal Regulations and the Medallion 4.0 contract, and the CRC voted to open desk reviews in both circumstances.

Each MCO's compliance findings and concerns are further detailed below. Data related to the Health Care Services Division's compliance activities are also included. The Department communicated the findings of its review of October's compliance issues in letters issued to the MCOs on December 13, 2019.

Aetna Better Health of Virginia

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- **Data Submission Errors:** The Department timely received the Q3 MCO Network File and Q3 Providers Failing Accreditation/Credentialing & Terminations quarterly deliverables from Aetna. Upon review, it was determined that both deliverables contained data errors. Specifically, the MCO Network File contained a large number of incorrectly formatted zip codes and the Providers Failing Accreditation/Credentialing & Terminations was missing providers that were required to be included. These errors violated the requirements of Section 1.4.9.2 of the Medallion 4.0 Deliverables Technical Manual and page 4 of the Network Requirements Submission Manual, respectively.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Aetna violated the terms of the Medallion 4.0 contract in the deliverable submissions addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a one point penalty. However, DMAS' subject matter experts noted that the data submission errors in Aetna's Q3 MCO Network File and its Q3 Providers Failing Accreditation/Credentialing & Terminations report did not significantly impair DMAS' ability to oversee or analyze Aetna's performance. DMAS' subject matter experts suggested that neither data submission error be subject to compliance points.

The Compliance Team recommended that in response to the issues identified above, Aetna be issued two **Notices of Non-Compliance (NONCs)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue two **NONCs without associated compliance points or financial sanctions** in response to these issues. **(CES # 2489 & 2510)**

MIP/CAP Update:

- No updates

Appeal Decision:

- **CES # 2414:** The Department received the following message from Aetna in regards to **CES # 2414**, a case in which Aetna was issued a NONC for untimely adjudication of internal appeals:

“In reviewing this appeal in more detail, on 8/14/19 we received a standard appeal from the provider appealing medication on the members behalf. On 8/19/2019, an authorized representative form was sent out on 8/19/2019 for the member to complete. We are not allowed to initiate an appeal on behalf of the member without the member giving the provider permission by completing the authorized representative form.

On 8/28/2019, the disclosure form was received from the member which started the clock for the 30-day appeal giving it a due date of 9/27/2019. Aetna Better Health responded on 9/25/19, which makes the appeal timely.

We have discovered in our Appeals Database that we need to change our logic to capture the date we receive the Authorization form from the member as the received date, as opposed to the date we received the appeal from the provider. This will only apply to those circumstances when a member Authorized Representative form is required.

We respectfully request DMAS to repeal the notice of non-compliance with regards to this appeal. Thank you for considering our request and this information has helped us update our Appeals database logic which will enable us to report more clearly.

Please let me know if you have additional questions or if we need a phone call to discuss.”

Upon reviewing Aetna’s statement, the CRC voted to uphold the NONC issued in response to **CES # 2414**. The Department sent the following response to Aetna:

“Good Afternoon,

The Health Care Services Compliance Review Committee (CRC) recently met on December 5, 2019. During this meeting, the CRC reviewed Aetna's November 13, 2019 email, sent in response to compliance case ID #2414 (untimely processing of an internal member appeal).

Aetna's email indicated that Aetna had timely processed the appeal at issue. Aetna's email explained that while Aetna received an appeal request from a provider associated with the case on 8/14/19, it did not receive a signed authorized

representative form from the provider and member at issue until 8/28/19. Thus, Aetna explained, the 30-day processing requirement did not begin until 8/28/19 and Aetna's resolution of the appeal on 9/25/19 was timely. Aetna requested that DMAS rescind the notice of non-compliance sent in response to the issue.

The CRC voted against rescinding the notice of non-compliance issued to Aetna in compliance case ID #2414. The CRC noted that Aetna's description of the situation was credible, and the CRC found that Aetna's description of the events at issue was likely fully accurate. However, the CRC also pointed out that if Aetna's version of events was accurate, Aetna's monthly appeals report contained a reporting error. The CRC indicated that DMAS' subject matter experts required the "File Date" field at issue in this case to contain the date that an internal appeal had been received and fully verified as a legitimate appeal. The CRC noted that this requirement exists because it helps DMAS better track compliance with the 30-day processing requirement and correctly excludes appeals that never receive proper authorization from the appealing member. As a result of the reporting error, the CRC voted to uphold the issuance of a notice of non-compliance to Aetna in response to compliance case ID #2414.

Thank you, and if you have any questions please feel free to contact the Compliance Unit.”

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2019, Aetna showed a very high level of compliance. Aetna timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Aetna submitted two quarterly deliverables that contained minor reporting errors (addressed above in **CES # 2489 & 2510**). Aetna's member and provider call centers complied with abandonment ratio requirements, and Aetna complied with all applicable provider payment timeliness requirements. In summation, Aetna complied with almost every applicable regulatory and contractual requirement.

Anthem HealthKeepers Plus

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- **Appeals Issue:** The Department timely received the October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Anthem. Upon review, a DMAS subject matter expert discovered that the reports indicated that Anthem failed to adjudicate two internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Anthem's October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that Anthem failed to adjudicate two internal appeals within 30 days of their filing, and Anthem did not request an extension for those appeals. Thus, Anthem violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending January 15, 2020, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2477)**

- **Data Submission Error:** The Department timely received the October Foster Care and Adoption Assistance Member Care Coordination Report deliverable from Anthem. Upon review, it was determined that the deliverable was submitted using an incorrect file naming convention. Specifically, the file was

named "FC_AA SERVICE.xlsx" instead of "FC_AA_SERVICE.xlsx" as required by Section 1.2.9.1 of the Medallion 4.0 Deliverables Technical Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Anthem violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a one point penalty. However, DMAS' subject matter expert noted that the file naming convention error in Anthem's October Foster Care and Adoption Assistance Member Care Coordination Report deliverable did not significantly impair DMAS' ability to oversee or analyze Anthem's performance. DMAS' subject matter expert suggested that the file naming convention not be subject to compliance points.

The Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. (CES # 2474)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2019, Anthem showed a very high level of compliance. Anthem timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One monthly deliverable was submitted using an incorrect file naming convention (addressed above in CES # 2474). Anthem's

member and provider call centers complied with abandonment ratio requirements, and Anthem complied with all applicable provider payment timeliness requirements. Anthem failed to timely adjudicate two internal appeals (addressed above in **CES # 2477**). In summation, Anthem complied with almost every applicable regulatory and contractual requirement.

Magellan Complete Care

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the October 2019 Early Intervention Services Report deliverable from Magellan. Upon review, the Compliance Unit discovered that the report indicated that Magellan failed to adjudicate two clean claims for EI services within 14 days of their receipt in October 2019.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, Magellan violated the terms of the Medallion 4.0 contract in failing to adjudicate two clean claims for EI services within 14 days of their receipt.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. As a result, the CRC voted to assess Magellan a **one (1) point violation** due to its failure to adjudicate 2 clean claims within 14 days of their receipt.

Magellan has accumulated 8.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 1 of the Compliance Deficiency Identification System is not subject to financial sanctions. As a result, Magellan will not be issued financial sanctions for this issue. The CRC voted not to require Magellan to submit a corrective action plan (CAP). **(CES # 2491)**

Concerns:

- **Appeals Issue:** The Department timely received the October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Magellan. Upon review, a Department subject matter expert discovered that the reports indicated that Magellan failed to adjudicate 20 internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Magellan's October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that Magellan failed to adjudicate 20 internal appeals within 30 days of their filing, and Magellan did not request

an extension for those appeals. Thus, Magellan violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending January 15, 2020, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, Magellan be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2490)**

- **Data Submission Errors:** The Department timely received the October FAMIS Appeals and Grievances Report and Q3 Providers Failing Accreditation/Credentialing & Terminations deliverables from Magellan. Upon review, it was determined that both deliverables data errors. Specifically, the FAMIS Appeals and Grievances Report was named "FAMIS_APP_GRIEV.xlsx" instead of "APP_GRIEV_FAMIS.xlsx" as required by Section 1.12.7.1 of the Medallion 4.0 Deliverables Technical Manual. In addition, the Providers Failing Accreditation/Credentialing & Terminations deliverable was missing providers that were required to be included according to Section 1.4.9.2 of the Medallion 4.0 Deliverables Technical Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Magellan violated the terms of the Medallion 4.0 contract in the deliverable submissions addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a one point penalty. However, DMAS' subject matter experts noted that the file naming convention error in Magellan's October FAMIS Appeals and Grievances Report and the data error in its Q3 Providers Failing Accreditation/Credentialing & Terminations report did not significantly impair DMAS' ability to oversee or analyze Magellan's performance. DMAS' subject matter experts suggested that neither data submission error be subject to compliance points.

The Compliance Team recommended that in response to the issues identified above, Magellan be issued two **Notices of Non-Compliance (NONCs)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue two **NONCs without associated compliance points or financial sanctions** in response to these issues. **(CES # 2493 & 2511)**

- **Untimely Claims Payment:** The Department timely received the October 2019 MCO Claims Report deliverable from Magellan. Upon review, the Compliance Unit discovered that the report indicated that Magellan failed to adjudicate four clean claims within one calendar year of their receipt in October 2019.

Section 1932(f) of the Social Security Act and Section 5.5 of the Medallion 4.0 contract require the MCOs to adjudicate all clean claims for Medicaid services within one calendar year of their receipt. Thus, based on the October 2019 MCO Claims Report deliverable, Magellan violated the terms of the Medallion 4.0 contract in failing to adjudicate clean claims for Medicaid services within one calendar year of their receipt.

Due to the serious nature of this issue, the Compliance Team recommended that a **desk review** be initiated, so that the Compliance Unit could fully understand the circumstances surrounding Magellan's report of adjudicating four clean claims more than one calendar year after their receipt. The CRC agreed with the Compliance Team's recommendation, and voted to open a **desk review** in response to this issue. The Compliance Unit will review additional documentation related to this issue, and will potentially recommend associated compliance enforcement actions in a future CRC meeting. **(CES # 2492)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance in October 2019, Magellan showed a generally high level of compliance. Magellan timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Magellan submitted a monthly deliverable containing a file naming convention error and a quarterly deliverable containing a reporting error (addressed above in **CES # 2493 & 2511**). Magellan's member and provider call centers complied with abandonment ratio requirements. Magellan's reporting indicated that it failed to adjudicate two clean claims for EI services within 14 days and that it failed to adjudicate four clean claims for Medicaid services within one calendar year. The latter issue will be examined via a desk review (addressed above in **CES # 2491 & 2492**). Magellan failed to timely adjudicate 20 internal appeals (addressed above in **CES # 2490**). In summation, Magellan complied with most regulatory and contractual requirements.

Optima Health

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- **Data Submission Error:** The Department timely received the Q3 Providers Failing Accreditation/Credentialing & Terminations deliverable from Optima. Upon review, it was determined that the deliverable contained data errors. Specifically, the Providers Failing Accreditation/Credentialing & Terminations deliverable was missing providers that were required to be included according to Section 1.4.9.2 of the Medallion 4.0 Deliverables Technical Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Optima violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a one point penalty. However, DMAS' subject matter expert noted that the data error in Optima's Q3 Providers Failing Accreditation/Credentialing & Terminations report did not significantly impair DMAS' ability to oversee or analyze Optima's performance. DMAS' subject matter expert suggested that the data submission error not be subject to compliance points.

The Compliance Team recommended that in response to the issue identified above, Optima be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2509)**

- **Untimely Claims Payment:** The Department timely received the October 2019 MCO Claims Report deliverable from Optima. Upon review, the Compliance Unit discovered that the report indicated that Optima failed to

adjudicate one clean claim within one calendar year of its receipt in October 2019.

Section 1932(f) of the Social Security Act and Section 5.5 of the Medallion 4.0 contract require the MCOs to adjudicate all clean claims for Medicaid services within one calendar year of their receipt. Thus, based on the October 2019 MCO Claims Report deliverable, Optima violated the terms of the Medallion 4.0 contract in failing to adjudicate a clean claim for Medicaid services within one calendar year of its receipt.

Due to the serious nature of this issue, the Compliance Team recommended that a **desk review** be initiated, so that the Compliance Unit could fully understand the circumstances surrounding Optima's report of adjudicating one clean claim more than one calendar year after its receipt. The CRC agreed with the Compliance Team's recommendation, and voted to open a **desk review** in response to this issue. The Compliance Unit will review additional documentation related to this issue, and will potentially recommend associated compliance enforcement actions in a future CRC meeting. **(CES # 2475)**

MIP/CAP Update:

- No updates

Appeal Decision:

- **CES # 2311:** Review of Optima's appeal of CES # 2311 (untimely payment of EI claims) is currently underway, and the outcome is pending.

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2019, Optima showed a generally high level of compliance. Optima timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One quarterly deliverable contained a data error (addressed above in **CES # 2509**). Optima's member and provider call centers complied with abandonment ratio requirements. Optima's reporting indicated that it failed to adjudicate one clean claim for Medicaid services within one calendar year. This issue will be examined via a desk review (addressed above in **CES # 2475**). In summation, Optima complied with almost every regulatory and contractual requirement.

UnitedHealthcare

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- **Data Submission Error:** DMAS timely received the October Maternal Care Monthly Report deliverable from United. Upon review, it was determined that the deliverable was submitted using an incorrect file naming convention. Specifically, the file was named “MATERNAL_SERVICES.xlsx” instead of “MATERNAL_SERVICE.xlsx” as required by Section 1.4.12.1 of the Medallion 4.0 Deliverables Technical Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, United violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that “[i]mpair[] the Department’s ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors” are subject to a one point penalty. However, DMAS’ subject matter expert noted that the file naming convention error in United’s October Maternal Care Monthly Report deliverable did not significantly impair DMAS’ ability to oversee or analyze United’s performance. DMAS’ subject matter expert suggested that the file naming convention not be subject to compliance points.

The Compliance Team recommended that in response to the issue identified above, United be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team’s recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 2470)**

- **Appeals Issue:** The Department timely received the October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from United. Upon review, a Department subject matter expert discovered that the reports indicated that United failed to adjudicate two internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. United's October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that United failed to adjudicate two internal appeals within 30 days of their filing, and United did not request an extension for those appeals. Thus, United violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. However, the Department's subject matter expert suggested that this issue be subject to a brief grace period, ending January 15, 2020, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals.

The Compliance Team recommended that in response to the issue identified above, United be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. (CES # 2471)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **CES # 2001:** February 2019 – Untimely deliverable submission. NOTE: according to Section 10.1.C.c of the Medallion 4.0 contract, "the Department at its own discretion may deduct one point from the Contractor's total point bank, for each quarter no punitive compliance action is taken against the Contractor." United was not assessed any compliance points for the past three months, and as a result, the CRC voted to deduct a point from United's total by closing **CES # 2001**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2019, United showed a very high level of compliance. United timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One monthly deliverable was submitted using an incorrect file naming convention (addressed above in **CES # 2470**). United's member and provider call centers complied with abandonment ratio requirements, and United complied with all applicable provider payment timeliness requirements. United failed to timely adjudicate two internal appeals (addressed above in **CES # 2471**). In summation, United complied with almost every regulatory and contractual requirement.

Virginia Premier

Findings:

- **Data Submission Errors:** The Department timely received the October Assessments for CYSHCN and October CYSHCN Assessment Exclusion Report monthly deliverables from Virginia Premier. Upon review, it was determined that both deliverables contained data errors. Specifically, the Assessments for CYSHCN deliverable contained invalid values in the “Assessment Code” field in all entries and the CYSHCN Assessment Exclusion Report deliverable contained invalid values in the “Reason” field in all entries. These errors violated the requirements of Sections 1.2.4.2 and 1.8.35.2 of the Medallion 4.0 Deliverables Technical Manual, respectively.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in the deliverable submissions addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department’s ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a one point penalty. As a result, the CRC voted to assess Virginia Premier **a one (1) point violation** for each infraction, for a total of **two (2) compliance points** issued in response to these data submission errors.

Virginia Premier has accumulated 14.0 points, placing it in Level 2 of the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, the Compliance Deficiency Identification System requires a plan in Level 2 to be issued a financial sanction in the amount of \$5,000 for each compliance enforcement action taken. As a result, Virginia Premier will be assessed a **\$5,000 financial sanction** for each reporting error addressed above for a total of a **\$10,000 financial sanction** issued in response to these data submission errors. The CRC voted not to require Virginia Premier to submit a CAP. **(CES # 2450 & 2451)**

- **Untimely Payment of EI Claims:** The Department timely received the October 2019 Early Intervention Services Report deliverable from Virginia Premier. Upon review, the Compliance Unit discovered that the report indicated that Virginia Premier failed to adjudicate 56 clean claims for EI services within 14 days of their receipt in October 2019.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in failing to adjudicate clean claims for EI services within 14 days of their receipt.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. As a result, the CRC voted to assess Virginia Premier a **one (1) point violation** due to its failure to adjudicate clean claims within 14 days of their receipt.

Virginia Premier has accumulated 14.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, the Compliance Deficiency Identification System requires a plan in Level 2 to be issued a financial sanction in the amount of \$5,000 for each compliance enforcement action taken. As a result, Virginia Premier will be assessed a **\$5,000 financial sanction** for its failure to adjudicate EI clean claims within 14 days of their receipt. The CRC voted not to require Virginia Premier to submit a CAP. **(CES # 2449)**

Concerns:

- **Appeals Issues:** The Department timely received the October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables from Virginia Premier. Upon review, a Department subject matter expert discovered that the reports indicated that Virginia Premier failed to adjudicate seven internal appeals within 30 days of their filing as required by law and the Medallion 4.0 contract. In addition, a DMAS subject matter expert indicated that Virginia Premier failed to respond to two requests for appeal information within 24 hours of their receipt.

Section 12.3 of the Medallion 4.0 contract and the Code of Federal Regulations at 42 C.F.R. §438.408(b) require the MCOs to adjudicate internal appeals within 30 days of their receipt in the absence of an extension request. Virginia Premier's October 2019 Appeals & Grievances Summary and FAMIS Appeals & Grievances Summary deliverables showed that Virginia Premier failed to adjudicate seven internal appeals within 30 days of their filing, and Virginia Premier did not request an extension for those appeals. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract.

Additionally, Section 12.2 of the Medallion 4.0 contract requires the MCOs to respond to a request for appeal information within 24 hours when DMAS requests that such information be provided within 24 hours. A DMAS subject matter expert provided evidence showing that DMAS made two requests for appeal information to Virginia Premier, both requests asked that the information be provided within 24 hours, and Virginia Premier failed to

respond to either request within 24 hours. As a result, Virginia Premier violated the terms of the Medallion 4.0 contract.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. However, the Department's subject matter experts suggested that these issues be subject to a brief grace period, ending January 15, 2020, because the Department had not previously enforced compliance with regards to the timeliness of MCOs' adjudication of internal appeals or the timeliness of MCOs' responses to requests for appeal information.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued two **Notices of Non-Compliance (NONCs)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue two **NONCs without associated compliance points or financial sanctions** in response to these issues. **(CES # 2472 & 2473)**

- **Data Submission Error:** The Department timely received the Q3 MCO Network File quarterly deliverable from Virginia Premier. Upon review, it was determined that the deliverable contained data errors. Specifically, the MCO Network File contained a large number of incorrectly formatted zip codes, in violation of the requirements of page 4 of the Network Requirements Submission Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

According to Section 10.1.E.a of the Medallion 4.0 contract, failures to comply with the contract that "[i]mpair[] the Department's ability to properly oversee and/or analyze Contractor performance, including but not limited to reporting errors" are subject to a one point penalty. However, DMAS' subject matter expert noted that the data submission errors in Virginia Premier's Q3 MCO Network File did not significantly impair DMAS' ability to oversee or analyze Virginia Premier's performance. DMAS' subject matter expert suggested that the submission error not be subject to compliance points.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and

voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. (CES # 2469)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

The following financial sanctions will be sent to DMAS' Fiscal Division for enforcement:

- October 2019 Data Submission Error - \$5,000 (CES # 2450)
- October 2019 Data Submission Error - \$5,000 (CES # 2451)
- October 2019 EI Claims Payment Issue - \$5,000 (CES # 2449)

Summary:

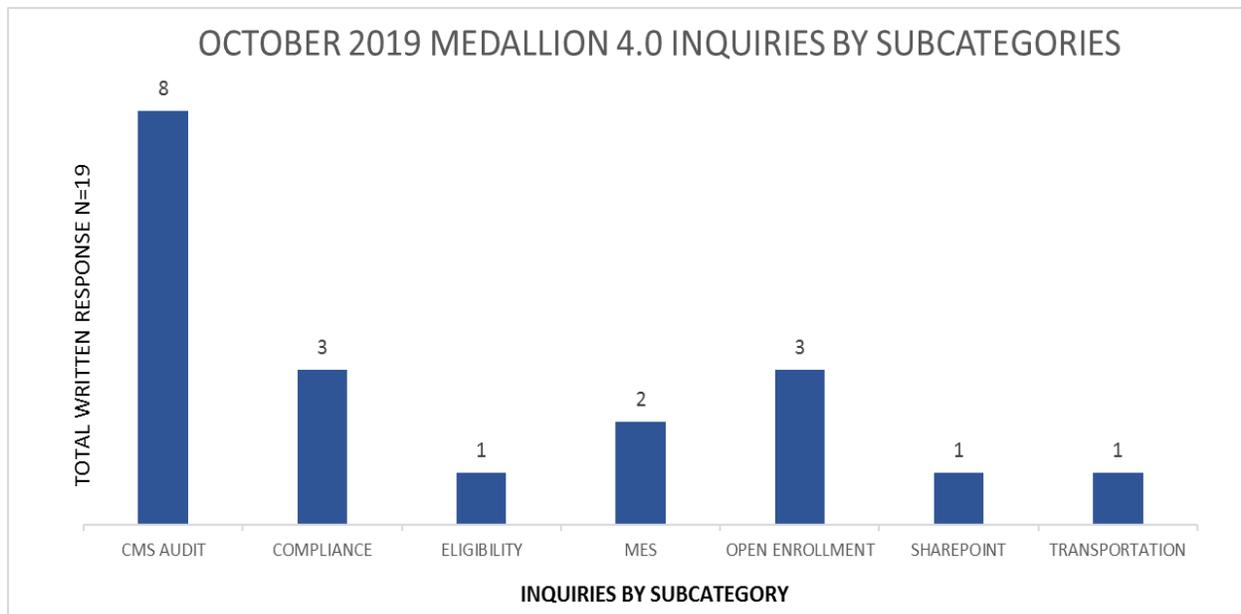
- For deliverables measuring performance in October 2019, Virginia Premier showed a moderate level of compliance. Virginia Premier timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Three deliverables were submitted with data errors (addressed above in CES # 2450, 2451, & 2469). Virginia Premier's member and provider call centers complied with abandonment ratio requirements, and outside of an issue listed above (in CES # 2449), Virginia Premier complied with all applicable provider payment timeliness requirements. Virginia Premier failed to timely adjudicate seven internal appeals and failed to timely respond to two DMAS request for appeal information (addressed above in CES # 2472 & 2473). In summation, Virginia Premier complied with most regulatory and contractual requirements.

Compliance Activity Data

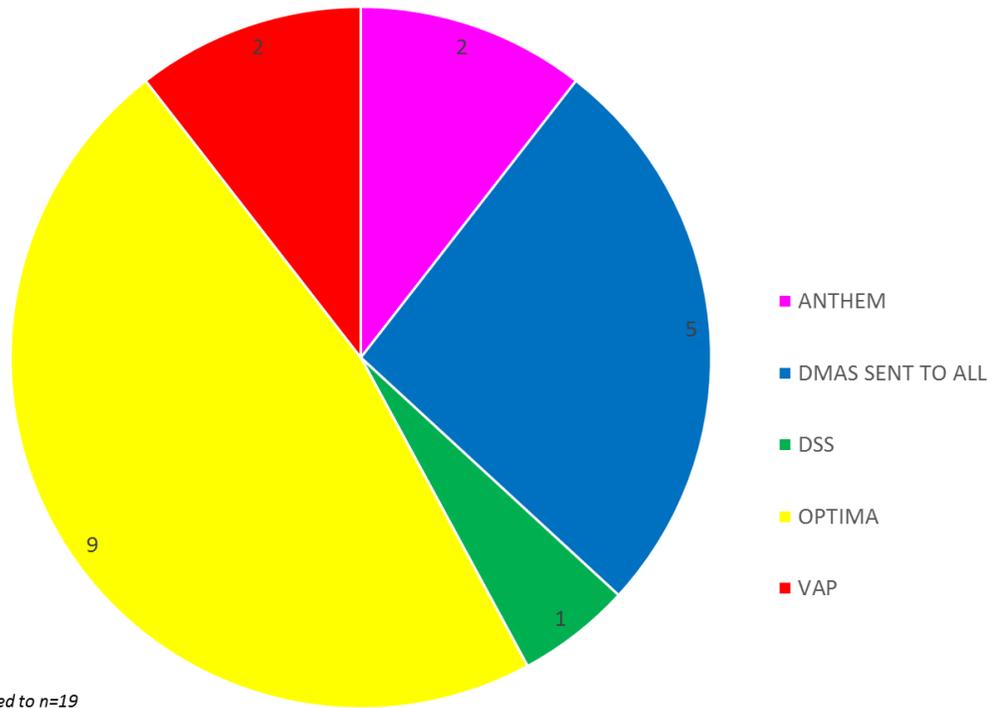
October 2019 – Member and Provider Solutions Unit

| | |
|---|----|
| Member Inquiries <i>Received</i> | 21 |
| Provider Inquiries <i>Received</i> | 23 |
| MCO Inquiries <i>Received</i> | 15 |
| Constituent Concerns ("Pinks") <i>Received</i> | 8 |
| Marketing Materials <i>Reviewed</i> | 99 |
| Appeals | 1 |
| Other Inquiries <i>Received</i> | 78 |

MEDALLION 4.0 MAILBOX MONITORING



OCTOBER 2019 MEDALLION 4.0 INQUIRIES BY PROVIDER, STAKEHOLDER & MCO



PROVIDER FRAUD ACTIVITY THROUGH OCTOBER

| PROVIDER FRAUD ACTIVITY REFERRED TO MCOS | | |
|--|------------|--------------|
| Description | Open Cases | Closed Cases |
| GOOD CAUSE REFFERALS | 0 | 16 |
| PAYMENT SUSPENSIONS | 1 | 16 |
| INFORMATION REFEERAL TO MCO | 0 | 8 |
| ENDING PAYMENT SUSPENSIONS | 0 | 15 |
| MFCU INVESTIGATIONS | 0 | 25 |
| PROVIDER TERMINATIONS | 0 | 31 |
| PROVIDER TERMINATIONS (OTHER) | 0 | 7 |
| TOTAL | 1 | 118 |

MEDALLION NEWBORN RECONCILIATION OVERSIGHT

| MCO MED3 | 2017_09 | 2017_10 | 2017_11 | 2017_12 | 2018_01 | 2018_02 | 2018_03 | 2018_04 | 2018_05 | 2018_06 | 2018_07 | 2018_08 | 2018_09 | 2018_10 | 2018_11 |
|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Anthem: | F | C | F | F | F | C | C | C | C | C | C | C | C | S | S |
| Coventry | F | F | F | F | F | C | C | C | F | C | C | C | C | C | S |
| INTotal | F | F | F | F | F | F | F | C | F | F | F | C | F | C | S |
| Kaiser | F | F | F | F | F | F | F | C | F | F | C | C | C | C | S |
| Optima | F | F | F | F | F | F | F | F | C | F | F | C | C | C | S |
| VA Premier | F | F | F | F | F | F | F | F | F | F | F | F | F | S | S |

| MED4 MCO | 2018_08 | 2018_09 | 2018_10 | 2018_11 |
|-------------------|---------|---------|---------|---------|
| Aetna (1044) | F | C | S | S |
| Anthem (1045) | F | C | S | S |
| Magellan (1046) | C | C | C | S |
| Optima (1047) | S | C | S | S |
| United (1048) | C | S | S | S |
| VA Premier (1049) | C | C | S | S |

S - Recon request file has been submitted to DMAS and is being processed for reconciliation payment.

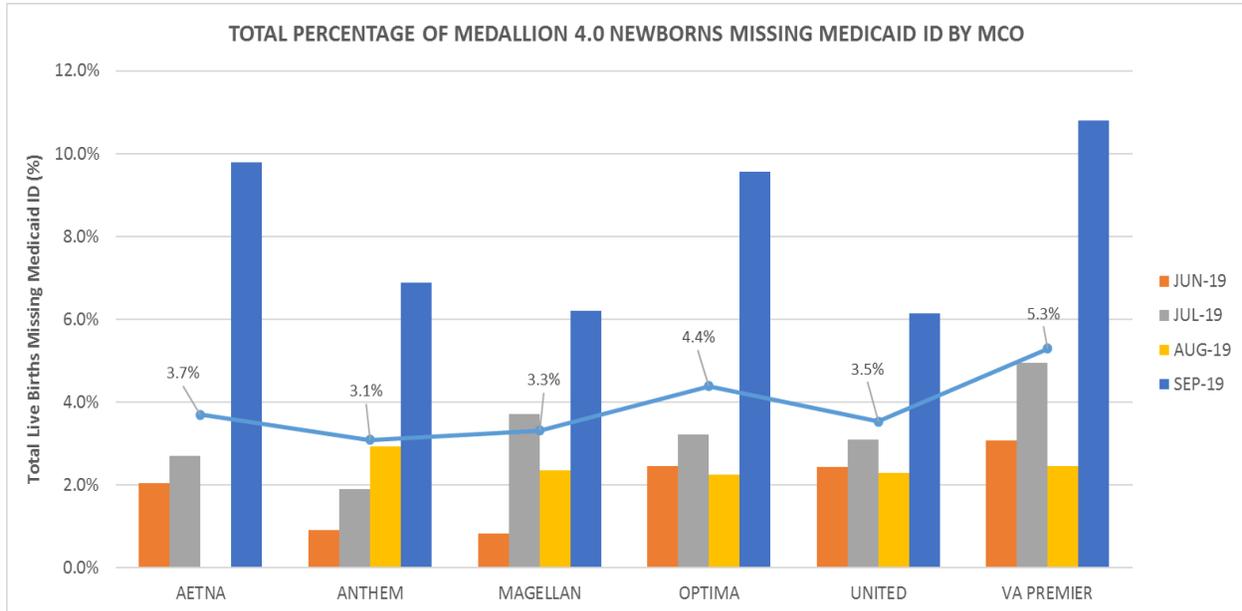
C - Waiting for MCO to approve Provider Payment Agreement in order to make final reconciliation payment and close the period.

F - Closed. All newborn processing is complete for the MCO for the period.

MEDALLION MAGELLAN BHSА CMHRS CLAIMS MONITORING

| Reporting Month | Amount | Status | Retraction | Date Completed |
|------------------------------------|--------------|--------|--------------|---------------------|
| SEPTEMBER | \$7,303.84 | CLOSED | \$7,303.84 | 10/10/2018 |
| OCTOBER | \$20,020.71 | CLOSED | \$20,020.71 | 1/4/2019 |
| NOVEMBER | \$198,261.12 | CLOSED | \$119,047.14 | 3/29/2019 |
| DECEMBER | \$13,432.02 | CLOSED | \$10,581.88 | 12/4/2019 |
| JANUARY | \$6,396.68 | CLOSED | \$6,396.68 | 12/16/2019 |
| FEBRUARY | \$1,035.73 | CLOSED | \$596.16 | 12/16/2019 |
| MARCH | \$3,030.12 | CLOSED | \$2,668.41 | 12/16/2019 |
| APRIL | \$5,329.28 | CLOSED | \$1,035.24 | 12/16/2019 |
| MAY | \$0.00 | CLOSED | \$0.00 | NA |
| JUNE | \$291.48 | CLOSED | \$291.48 | 12/16/2019 |
| Actual Retraction Completed | | | | \$170,229.19 |

MEDALLION 4.0 LIVE BIRTHS OVERSIGHT



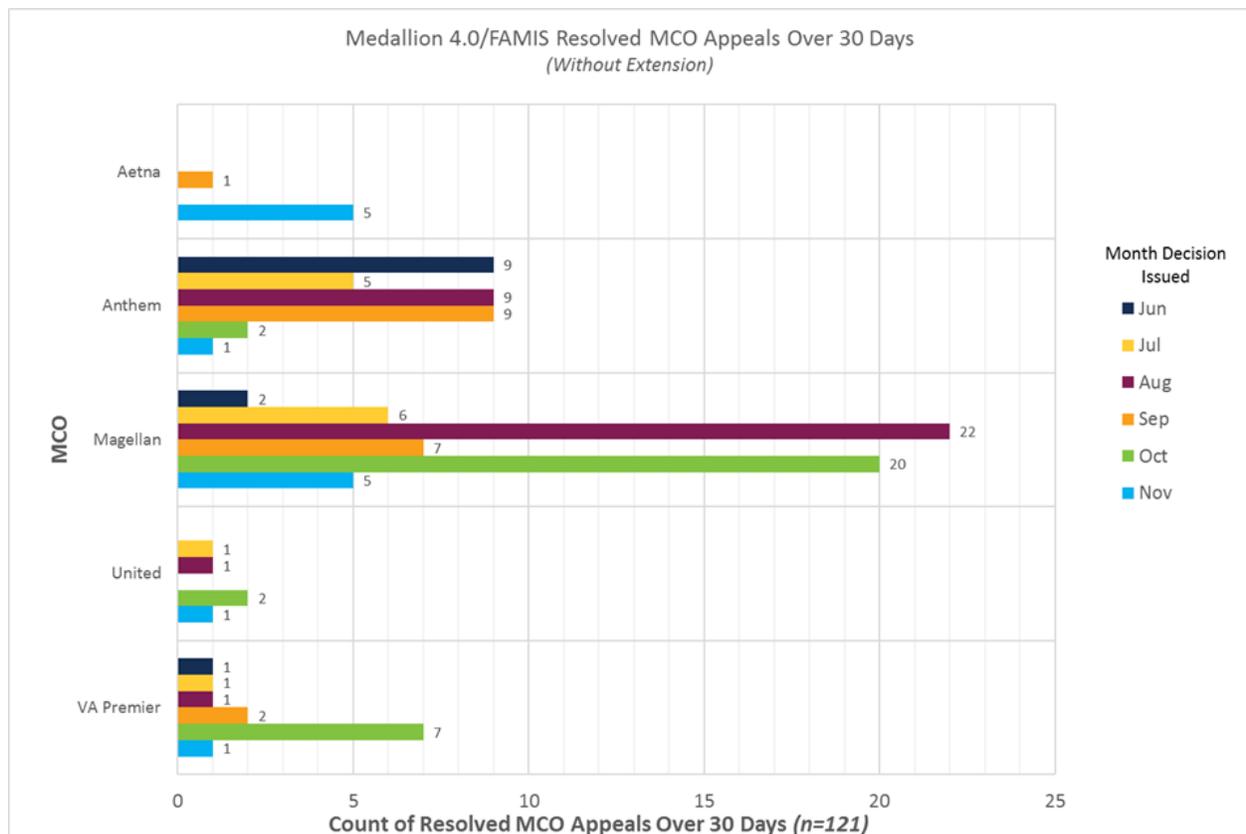
MEDALLION 4.0 MCO PROVIDER CONTRACT REVIEWS

| Sub Dt_MCO | Name | Submission_of | DMAS_Comp | DMAS_Decision | MCO_Edits_Due | MCO_Comp_Days | DMAS_Decision | MCO_Edits_Due | MCO_Comp_Day | DMAS_Decision | MCO_Edits_Due | DMAS_Ap_Dt | Final_Status |
|------------|----------|---|-----------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|------------|--------------|
| 6/27/2019 | United | Accountable Care Organization (ACO) Agreement | 29 | Resubmission | 9/24/2019 | 54 | Resubmission | 11/8/2019 | 74 | Resubmission | 1/31/2020 | | Pending MCO |
| 8/22/2019 | United | NPO Participation Agreement - Regulatory Appendix | 4 | Resubmission | 10/25/2019 | 91 | Resubmission | 2/17/2020 | | | | | Pending MCO |
| 9/19/2019 | United | National Ancillary Provider Participation Agreement | 29 | Resubmission | 12/17/2019 | | | | | | | | Pending MCO |
| 9/18/2019 | Magellan | Magellan Healthcare, Inc. PCP Agreement Template | 21 | Resubmission | 11/8/2019 | 2 | Approved | NA | NA | NA | NA | 9/20/2019 | Approved |
| 11/6/2019 | Aetna | Network Services Agreement | 21 | Resubmission | 1/26/2020 | | | | | | | | Pending MCO |

MEDALLION 4.0 MEMBER LETTERS DASHBOARD – OCTOBER

| MEDALLION 4.0 LETTERS DASHBOARD - OCT 2019 | | | |
|---|---------------|------------|--------------------|
| | Date Approved | Date Sent | Total Letters Sent |
| Medallion 4.0 Assignment | 10/21/2019 | 10/24/2019 | 7,510 |
| Medallion 4.0 MedEx Assignment | 10/21/2019 | 10/24/2019 | 11,478 |
| Medallion 4.0 Re-Enrollment | 10/21/2019 | 10/23/2019 | 2,082 |
| Medallion 4.0 MedEx Re-Enrollment | 10/21/2019 | 10/23/2019 | 1,262 |
| Medallion 4.0 Change | NA | NA | 0 |
| Medallion 4.0 MedEx Change | NA | NA | 0 |
| Medallion 4.0 Maternal Child Health Letters | 10/21/2019 | 10/23/2019 | 1,442 |
| Medallion 4.0 MedEx Open Enrollment | 10/21/2019 | 10/29/2019 | 215,112 |
| Total Letters Sent | | | 238,886 |

MEDALLION 4.0/FAMIS RESOLVED MCO APPEALS > 30 DAYS



Next Steps

At this time, the Compliance Unit is continuing monthly Compliance Review Committee meetings, following up on reoccurring issues, and communicating with the MCOs regarding identified issues. The Compliance Unit is in the process of expanding the types of compliance issues it investigates, and involving itself with programmatic issues as well as technical deliverable issues.

The Compliance Unit is expanding the amount of face-to-face contact it has with MCO compliance personnel, and has recently held its first round of monthly MCO compliance calls.

The Compliance Unit is also responsible for generating and maintaining policies and procedures for the Health Care Services Division. The Compliance Unit has generated eight policy and procedure documents to date, and the long-term project to create policies and procedures is ongoing.